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[Document I.]

REPORT

FROM THE

TREASURER OF MARYLAND

RELATIVE TO

THE SCHOOL FUND.

REPORT.

To the Honorable House of Delegates:

Gentlemen,—In compliance with your order of the 6th instant, I have the honor to report, that the School Fund was derived from three distinct sources, viz:

First, From a tax of twenty cents on the hundred dollars of bank capital in the State.

Second, From the interest paid by the United States on advances by the State during the war of 1812.

Third, From the surplus revenue of the United States.

By chapter 122 of 1813, all the incorporated banks of the State were required annually to pay a tax of twenty cents on every hundred dollars of capital actually paid in, for the support of Free Schools, and by the same act the Treasurer is directed to invest in stock of the Commercial and Farmers Bank, and the Mechanics Bank of Baltimore, all such sums of money, as he shall receive in virtue of this act, together with the dividends arising from such stock, and he is required to keep an account of such stock, which he shall denominate a fund for the establishment of free schools, separately from the rest of the funds, and make report thereof annually to the Legislature.

By chapter 256 of 1816, this fund wasdistributed equally among the several counties, but having been invested, before distribution, was placed in equal shares of bank stock to the credit of the several counties.

By resolution No. 38, of 1825, the interest received from the United States on money advanced by the State during the war of 1812, was consituted a fund for the support of common free schools, and the Treasurer was directed to invest it as received, in stock of the Farmers' Bank of Maryland, the dividends to be appropriated to the purposes aforesaid, as the Legislature may determine; and on this authority he invested $66,550 in said Bank stock, up to 1830; when by resolution No. 26, of 1830, he was directed to invest the cash then standing to the credit of this fund, and all future receipts which may by law be placed to its credit, in the reserved shares for which the State may have a right to subscribe, in any bank of the State; and by this authority he invested $26,950 in stock of the Farmers' & Merchants' Bank, and $3,433 33⅓ in stock of the Commercial and Farmers' Bank.

By resolution No. 47, of 1833, this fund in the shape of stock,

was distributed among the counties and the city of Baltimore, thus, viz: one-half in exact proportion to the whole population of each county and of the city and the other half was divided into twenty equal parts, and one of said parts allotted to each county and one to the city of Baltimore.

By chapter 220 of 1836, two hundred and seventy-four thousand four hundred and fifty-one dollars of the moneys received and to be received from the United States on account of the States proportion of the surplus revenue of the United States were appropriated to the payment of the interest on the public debt and expenses of the government, and the residue was directed to be deposited in some incorporated bank or banks in this State, at an interest of not less than five per cent., and the interest accruing thereon to be distributed among the several counties of the State and the city of Baltimore for the support and encouragement of common school education; and by chapter 285 of 1837, it was ordered to be distributed thus, viz: one half among all the counties and the city of Baltimore, in exact proportion to the amount of the whole white population of each, respectively, and the other half by dividing it into twenty-one equal parts and allotting to each county and the city of Baltimore one of said parts.

By chapter 33, of 1839, the surplus revenues belonging to the schools was appropriated to the payment of interest on the public debt, and thirty-four thousand and sixty-nine dollars and thirty-six cents, yearly, of the revenue derived from the Baltimore and Washington Railroad were substituted as an equivalent for the interest derived from this source.

The proceeds of the twenty cents tax, from 1813 and 1816, and the whole of the interest received from the United States for advances during the war of 1812, were distributed among the counties and the city of Baltimore, in the shape of Bank stocks; some of the counties drew the proportion due to them at the time the distribution was made, others left their's in the Treasury drawing only the dividends.

The bank stock of the several counties which remains in the Treasury is set forth in exhibit D of the Treasurer's, and statement A of the Comptroller's, annual reports. The funds now applicable to the support of free schools and paid annually, amount to about $55,069 36, and are derived as follows, viz:

From twenty cents taxes on banks, about..... $21,000 00
From equivalent for surplus revenue..... 34,069 36

Total..... $55,069 36

In addition to which some of the counties hold bank stocks, which yield a revenue of about $10,000, per annum.

Very respectfully,
Your obedient servant,
D. CLAUDE, Treasurer.